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MAY 02 2005

J. DAVID NAVARRO, Clerk
By MELANIE GAGNEPAIN
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Idaho State Bar #2768**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR ADA COUNTY**STATE OF IDAHO, DEPARTMENT OF
FINANCE, SECURITIES BUREAU,

Plaintiff,

vs.

LEADER CAPITAL CORPORATION, and
JOHN E. LEKAS,

Defendants.

Civil No. CV OC 0402797D

JUDGMENT

Defendants LEADER CAPITAL CORPORATION and JOHN E. LEKAS, and the Plaintiff
State of Idaho, Department of Finance (Department) having agreed to resolve the above-captioned
matter by stipulation,

NOW, THEREFORE, THE COURT HEREBY ORDERS, ADJUDGES AND DECREES as

follows:

1. Defendants John E. Lekas and Leader Capital Corporation neither admit nor deny the allegations in Plaintiff's Verified Complaint.
2. Defendant John E. Lekas is dismissed from this suit, *without prejudice*.
3. Defendant Leader Capital Corporation shall pay to the Plaintiff the sum of \$12,825.00, as restitution for the benefit of LaRene Berthelson and James and Betty Porter.
4. Defendant Leader Capital Corporation shall pay to the Plaintiff the additional sum of \$20,000.00, as civil penalties, pursuant to Idaho Code § 30-1442(3)(b).
5. Defendant Leader Capital Corporation shall pay Plaintiff's expert witness fees incurred.
6. Defendant Leader Capital Corporation shall pay the foregoing monetary sums to the Plaintiff within thirty (30) days following the entry of this judgment.
7. INJUNCTIVE RELIEF:

Defendant LEADER CAPITAL CORPORATION is permanently enjoined from engaging in any acts, practices, courses of business, omissions and misrepresentations that would constitute violations of Idaho's securities laws, and any administrative rules or orders promulgated pursuant to those laws. In particular Defendant Leader Capital Corporation is permanently enjoined from:

- A. Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as the securities have been registered with the Idaho Department of

Finance in accordance with the Idaho Uniform Securities Act;

- B. Selling or offering for sale nonexempt securities in any form in the state of Idaho until such time as it or any of its representatives have registered with the Idaho Department of Finance as a broker-dealer or salesman for a broker-dealer or issuer, in accordance with Idaho's securities laws;
- C. While engaged in or in connection with the offer, sale or purchase of any security:
- (1) Employing any device, scheme, or artifice to defraud any investors or prospective investors;
 - (2) Making any untrue statement of a material fact or omitting to state a material fact necessary in order to make statements made, in light of the circumstances under which they are made, not misleading;
 - (3) Engaging in any act, practice or course of business which operates, or would operate as a fraud or deceit upon any person;
 - (4) Aiding, abetting, counseling, inducing, or causing any other person to engage in any of the types of conduct described in paragraphs (C)(1), (C)(2), or (C)(3) above.

DATED this 2 day of May, 2005

JOEL D. HORTON

HON. JOEL D. HORTON, District Judge

CLERK'S CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 3 day of May, 2005, I served a true and correct copy of the foregoing JUDGMENT upon the following by the designated means:

Michael O. Roe
MOFFATT THOMAS
P.O. Box 829
Boise, Idaho 83701-0829

☒ U.S. Mail, postage prepaid
☒ Hand delivery
☐ Certified mail
☐ Facsimile

Joseph B. Jones
Deputy Attorney General
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☐ Certified mail
☐ Facsimile

MELANIE GAGNEPAIN

Deputy Clerk

SEAL